



Rep. Michael J. Madigan

Filed: 7/5/2007

09500HB2055ham001

LRB095 01509 HLH 37923 a

1 AMENDMENT TO HOUSE BILL 2055

2 AMENDMENT NO. _____. Amend House Bill 2055 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Lottery Law is amended by changing
5 Sections 2, 3, 4, 5, 6, 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.8,
6 7.8a, 7.11, 8, 8.1, 9, 10, 10.1, 10.1a, 10.2, 10.3, 10.4, 10.5,
7 10.6, 10.7, 11, 12, 13, 14, 14.2, 14.3, 15, 16, 17, 19, 20, 21,
8 21.2, 21.3, 21.5, 24, 25, 26, 27, and 28 and by adding Sections
9 2.1, 6.1, and 21.7 as follows:

10 (20 ILCS 1605/2) (from Ch. 120, par. 1152)

11 Sec. 2. This Act is enacted to implement and establish
12 within the State a lottery to be conducted ~~operated~~ by the
13 State, whether that lottery is operated and managed by the
14 State or by a third party pursuant to a Management and
15 Concession Agreement. The operations of a lottery are unique
16 activities for State government, and private management will

1 best enable the lottery to be operated in an entrepreneurial
2 and business-like manner, thereby maximizing value for and
3 benefit to the citizens of the State. Any such private manager
4 shall be accountable to the State through a comprehensive
5 system of State regulation and enduring operational oversight.
6 The State's ongoing conduct of the Lottery throughout the term
7 of a Concession shall act to promote and ensure the integrity,
8 security, honesty, and fairness of the Lottery's operation and
9 administration. ~~the entire net proceeds of which are to be used~~
10 ~~for the support of the State's Common School Fund, except as~~
11 ~~provided in Sections 21.2 and 21.5 and 21.6.~~

12 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;
13 revised 8-23-05.)

14 (20 ILCS 1605/2.1 new)

15 Sec. 2.1. Third-party management authorized.
16 Notwithstanding any provision of this Act or other applicable
17 law to the contrary, the State may, pursuant to a competitive
18 bidding process, enter into a Management and Concession
19 Agreement with a third party pursuant to which that party may
20 be authorized to manage or operate the Lottery, and further
21 pursuant to which that party may retain certain Lottery
22 revenues in consideration of the payment of a fee or fees to
23 the State for that right, provided that the Concession is
24 managed and operated in accordance with the provisions of this
25 Act and that the State at all times retains control of the

1 Lottery and exercises supervisory authority over the
2 Concession sufficient to implement the terms of the Management
3 and Concession Agreement and to effect the purposes of this
4 Act. The Lottery shall remain, for so long as a Concessionaire
5 manages and operates the Concession in accordance with
6 provisions of this Act, a Lottery conducted by the State.

7 The terms of a Management and Concession Agreement shall
8 include, without limitation, all of the following:

9 (a) The length of term of the Concession shall not
10 exceed 75 years.

11 (b) The consideration paid to the State for a
12 Concessionaire's right to manage and operate the
13 Concession shall be not less than \$10,000,000,000.

14 (c) At least 19% of the value of all contracts and
15 agreements entered into by the Concessionaire for goods and
16 services in connection with its management and operation of
17 the Lottery, other than contracts or agreements with sales
18 agents or technical operators, must be awarded to
19 businesses that are a "minority owned business" or a
20 "female owned business" as those terms are defined in the
21 Business Enterprise for Minorities, Females, and Persons
22 with Disabilities Act. For purposes of this item (c), all
23 contracts entered into by a technical operator shall be
24 deemed to be contracts entered by the Concessionaire. A
25 contract by which the Concessionaire retains a technical
26 operator shall be exempt from the requirements of this item

1 (c). For purposes of this item (c), a technical operator
2 means an entity that, pursuant to the terms of this
3 amendatory Act of the 95th General Assembly and the
4 Concession Agreement, is substantially involved in the
5 day-to-day operations of the Lottery in a manner that
6 includes (i) the design and production of lottery games or
7 lottery game equipment, (ii) the provision and maintenance
8 of lottery equipment, (iii) the operation and monitoring of
9 lottery games or other regulated gaming activities, (iv)
10 the development and maintenance of a distribution network,
11 or (v) the verification of game outcomes, or an entity
12 responsible for other significant regulated gaming
13 activities.

14 All of the acts of officials authorized by the State that
15 are in conformity with the intent and purposes of this
16 amendatory Act of the 95th General Assembly, whether heretofore
17 or hereafter taken or done, shall be and are ratified,
18 confirmed, authorized, and approved hereby in all respects. To
19 the extent any provision of the Illinois Procurement Code (30
20 ILCS 500/) is in conflict with this amendatory Act of the 95th
21 General Assembly insofar as it relates to any Transaction
22 Documents, the provisions of this amendatory Act shall be
23 controlling.

24 This amendatory Act of the 95th General Assembly shall be
25 construed liberally to effect the purposes of the Illinois
26 Lottery Law as amended by this amendatory Act and to provide

1 for the implementation and oversight of any Management and
2 Concession Agreement that the State may enter into pursuant to
3 the terms of this amendatory Act.

4 (20 ILCS 1605/3) (from Ch. 120, par. 1153)

5 Sec. 3. Definitions. For the purposes of this Act:

6 a. "Lottery" or "State Lottery" means the lottery or
7 lotteries established and operated pursuant to this Act.

8 b. "Board" means the Lottery Control Board created by this
9 Act.

10 c. "Department" means the Department of Revenue.

11 d. "Director" means the Director of Revenue.

12 e. "Chairman" means the Chairman of the Lottery Control
13 Board.

14 f. "Multi-state game directors" means such persons,
15 including the Superintendent, as may be designated by an
16 agreement between the Division and one or more additional
17 lotteries operated under the laws of another state or states.

18 g. "Division" means the Division of the State Lottery of
19 the Department of Revenue.

20 h. "Superintendent" means the Superintendent of the
21 Division of the State Lottery of the Department of Revenue.

22 i. "Concession" means the right of a Concessionaire to
23 manage or operate the Lottery pursuant to the terms of a
24 Management and Concession Agreement and this Act.

25 j. "Management and Concession Agreement" means that

1 agreement and all schedules, exhibits, and attachments
2 thereto, entered into pursuant to a competitive bidding process
3 and pursuant to which the State may grant a license or other
4 contractual right to manage or operate the Lottery to a
5 Concessionaire, and further pursuant to which a Concessionaire
6 may receive certain Lottery ticket or share sales and related
7 proceeds in consideration of the payment of a fee or fees to
8 the State.

9 k. "Concessionaire" means a third party that manages or
10 operates the Lottery pursuant to a Management and Concession
11 Agreement then in effect.

12 l. "Conducted by the State" means the management and
13 operation of the Lottery pursuant to the terms of this Act,
14 whether directly by the State or by a Concessionaire pursuant
15 to the terms of a Management and Concession Agreement as
16 provided for in this amendatory Act of the 95th General
17 Assembly. The Concessionaire shall at all times remain
18 accountable to the State and the people of the State through a
19 comprehensive system of State regulation and enduring
20 operational oversight, which shall include, without
21 limitation, the Concessionaire's regular provision and the
22 State's ongoing review and analysis of audits, reports, and
23 financial disclosures as required by this amendatory Act of the
24 95th General Assembly.

25 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/4) (from Ch. 120, par. 1154)

2 Sec. 4. Department established. The Department of the
3 Lottery is established to implement and regulate the State
4 Lottery in the manner provided in this Act.

5 In accordance with Executive Order No. 9 (2003), the
6 Division of the State Lottery is established within the
7 Department of Revenue. Unless otherwise provided by law, the
8 Division of the State Lottery shall be subject to and governed
9 by all of the laws and rules applicable to the Department.

10 (Source: P.A. 94-776, eff. 5-19-06.)

11 (20 ILCS 1605/5) (from Ch. 120, par. 1155)

12 Sec. 5. Superintendent. The Division shall be under the
13 supervision and direction of a Superintendent, who shall be a
14 person qualified by training and experience to perform the
15 duties required by this Act. The Superintendent shall be
16 appointed by the Governor, by and with the advice and consent
17 of the Senate. The term of office of the Superintendent shall
18 expire on the third Monday of January in odd numbered years
19 provided that he or she shall hold office until a successor is
20 appointed and qualified.

21 Any vacancy occurring in the office of the Superintendent
22 shall be filled in the same manner as the original appointment.

23 The Superintendent shall devote his or her entire time and
24 attention to the duties of the office and shall not be engaged
25 in any other profession or occupation. The Superintendent shall

1 receive such salary as shall be provided by law.

2 (Source: P.A. 94-776, eff. 5-19-06.)

3 (20 ILCS 1605/6) (from Ch. 120, par. 1156)

4 Sec. 6. Lottery Control Board; creation; appointment;
5 chairman; terms; vacancies; removal; compensation; meetings;
6 quorum. There is hereby created an independent board to be
7 known as the Lottery Control Board, consisting of 5 members,
8 all of whom shall be citizens of the United States and
9 residents of this State and shall be appointed by the Governor
10 with the advice and consent of the Senate. No more than 3 of
11 the 5 members shall be members of the same political party. A
12 chairman of the Board shall be chosen annually from the
13 membership of the Board by a majority of the members of the
14 Board at the first meeting of the Board each fiscal year.

15 Initial members shall be appointed to the Board by the
16 Governor as follows: one member to serve until July 1, 1974,
17 and until his successor is appointed and qualified; 2 members
18 to serve until July 1, 1975, and until their successors are
19 appointed and qualified; 2 members to serve until July 1, 1976,
20 and until their successors are appointed and qualified. As
21 terms of members so appointed expire, their successors shall be
22 appointed for terms to expire the first day in July 3 years
23 thereafter, and until their successors are appointed and
24 qualified.

25 Any vacancy in the Board occurring for any reason other

1 than expiration of term, shall be filled for the unexpired term
2 in the same manner as the original appointment.

3 Any member of the Board may be removed by the Governor for
4 neglect of duty, misfeasance, malfeasance, or nonfeasance in
5 office.

6 Board members shall receive as compensation for their
7 services \$100 for each day they are in attendance at any
8 official board meeting, but in no event shall members receive
9 more than \$1,200 per year. They shall receive no other
10 compensation for their services, but shall be reimbursed for
11 necessary traveling and other reasonable expenses incurred in
12 the performance of their official duties. Each member shall
13 make a full financial disclosure upon appointment.

14 The Board shall hold at least one meeting each quarter of
15 the fiscal year. In addition, special meetings may be called by
16 the Chairman, any 2 Board members, or the Director of the
17 Department, upon delivery of 72 hours' written notice to the
18 office of each member. All Board meetings shall be open to the
19 public pursuant to the Open Meetings Act.

20 Three members of the Board shall constitute a quorum, and 3
21 votes shall be required for any final determination by the
22 Board. The Board shall keep a complete and accurate record of
23 all its meetings.

24 (Source: P.A. 84-1128.)

25 (20 ILCS 1605/6.1 new)

1 Sec. 6.1. Lottery Control Board's Authorization to
2 Implement the Act and Oversee Concession. The term of each
3 appointed member of the Board who is in office on May 31, 2007
4 shall terminate at the close of business on that date or when
5 all of the new members to be initially appointed under this
6 amendatory Act of the 95th General Assembly have been appointed
7 by the Governor, whichever occurs later.

8 Beginning on June 1, 2007 or when all of the new members of
9 the Board to be initially appointed under this amendatory Act
10 of the 95th General Assembly have been appointed by the
11 Governor, whichever occurs later, the Board shall consist of 7
12 members, all of whom shall be citizens of the United States and
13 residents of this State and shall be appointed by the Governor
14 with the advice and consent of the Senate. No more than 4 of
15 the 7 members shall be members of the same political party. A
16 chairman of the Board shall be chosen annually from the
17 membership of the Board by a majority of the members of the
18 Board at the first meeting of the Board each fiscal year.

19 Members shall be appointed to the Board by the Governor as
20 follows: 2 members to serve until July 1, 2009, and until their
21 successors are appointed and qualified; 2 members to serve
22 until July 1, 2010, and until their successors are appointed
23 and qualified; 3 members to serve until July 1, 2011, and until
24 their successors are appointed and qualified. As terms of
25 members so appointed expire, their successors shall be
26 appointed for terms to expire the first day in July 3 years

1 thereafter, and until their successors are appointed and
2 qualified. Members of the Board serving prior to the effective
3 date of this amendatory Act of the 95th General Assembly shall
4 be discharged of their duties and replaced by members appointed
5 pursuant to this Section in the sequence in which those prior
6 serving members were appointed.

7 Any vacancy in the Board occurring for any reason other
8 than expiration of term shall be filled for the unexpired term
9 in the same manner as the original appointment.

10 Any member of the Board may be removed by the Governor for
11 neglect of duty, misfeasance, malfeasance, or nonfeasance in
12 office.

13 Board members shall receive as compensation for their
14 services \$250 for each day they are in attendance at any
15 official board meeting, but in no event shall members receive
16 more than \$3,000 per year. They shall receive no other
17 compensation for their services, but shall be reimbursed for
18 necessary traveling and other reasonable expenses incurred in
19 the performance of their official duties. All such compensation
20 and reimbursement shall be paid from proceeds of the
21 Concession.

22 The Board shall hold at least one meeting each quarter of
23 the fiscal year. In addition, special meetings may be called by
24 the chairman, any 4 Board members, or the Director of the
25 Department, upon delivery of 72 hours' written notice to each
26 member. All Board meetings shall be open to the public pursuant

1 to the Open Meetings Act.

2 Four members of the Board shall constitute a quorum, and 4
3 votes shall be required for any final determination by the
4 Board. The Board shall keep a complete and accurate record of
5 all its meetings.

6 The Board shall have general responsibility for the
7 implementation of this Act and the oversight and implementation
8 of any Management and Concession Agreement. The Board shall
9 have jurisdiction and oversight over all Lottery and Concession
10 operations governed by this Act and shall have all powers
11 necessary and proper to fully and effectively execute the
12 provisions of this Act. Its duties include, without limitation,
13 the following:

14 (1) to conduct all hearings pertaining to rules and
15 regulations promulgated under this Act;

16 (2) to promulgate such rules and regulations as in its
17 judgment may be necessary to protect or enhance the
18 credibility and integrity of the Lottery and enforce the
19 provisions of the Management and Concession Agreement
20 authorized by this Act and the regulatory process under
21 this Act;

22 (3) to be present through its inspectors and agents any
23 time Lottery operations are conducted pursuant to this Act
24 or the Management and Concession Agreement for the purpose
25 of determining compliance therewith, receiving complaints
26 from the public, and conducting such other investigations

1 into the conduct of Lottery games and operations and the
2 maintenance of all Lottery equipment as from time to time
3 the Board may deem necessary and proper;

4 (4) to implement and administer the Concession and
5 Management Agreement, including, without limitation, the
6 supervision and administration of the operation of the
7 Lottery in accordance with this Act, the rules and
8 regulations of the Board adopted hereunder, and the terms
9 of the Management and Concession Agreement;

10 (5) to investigate parties providing Concession and
11 Lottery-related services;

12 (6) to have jurisdiction and supervision over all
13 Lottery and Concession operations;

14 (7) to promulgate rules and regulations for the purpose
15 of administering the provisions of this Act and the
16 Management and Concession Agreement and to prescribe
17 rules, regulations, and conditions under which the Lottery
18 shall be conducted; those rules and regulations are to
19 provide for the prevention of practices detrimental to the
20 public interest and for the best interests of citizens of
21 the State, including rules and regulations regarding
22 inspection;

23 (8) to enter the office, facilities, or other places of
24 business of a Concessionaire, where evidence of the
25 compliance or noncompliance with the provisions of this Act
26 or the Management and Concession Agreement is likely to be

1 found;

2 (9) to investigate alleged violations of this Act or
3 the rules of the Board and to take appropriate disciplinary
4 action against a Concessionaire and its contractors and
5 licensees for a violation, or institute appropriate legal
6 action for enforcement, or both;

7 (10) to ensure that any Concessionaire maintains
8 appropriate standards for Lottery ticket vendors;

9 (11) to require that records, including financial or
10 other statements of any Concessionaire, manager, or
11 operator under this Act, shall be kept in such manner as
12 prescribed by the Board and that any such Concessionaire,
13 manager, or operator regularly submit to the Board a
14 balance sheet and profit and loss statement, list of the
15 stockholders or other persons having a beneficial interest
16 in such amounts as may be determined by the Board, and any
17 other information the Board deems necessary in order to
18 effectively administer this Act and all rules,
19 regulations, orders, and final decisions promulgated under
20 this Act;

21 (12) to conduct hearings, issue subpoenas for the
22 attendance of witnesses and subpoenas duces tecum for the
23 production of books, records, and other pertinent
24 documents in accordance with the Illinois Administrative
25 Procedure Act, and to administer oaths and affirmations to
26 the witnesses, when, in the judgment of the Board, it is

1 necessary to administer or enforce this Act or the Board
2 rules;

3 (13) to hire employees to gather information, conduct
4 investigations, and carry out any other tasks contemplated
5 under this Act;

6 (14) to delegate the execution of any of its powers
7 under this Act for the purpose of administering and
8 enforcing this Act and its rules and regulations; and

9 (15) to take any other action as may be reasonable or
10 appropriate to enforce this Act and its rules and
11 regulations.

12 The Board may seek and shall receive the cooperation of the
13 Department of State Police in conducting background
14 investigations of parties and in fulfilling its
15 responsibilities under this Section. Costs incurred by the
16 Department of State Police as a result of that cooperation
17 shall be paid by the Board in conformance with the requirements
18 of Section 2605-400 of the Department of State Police Law.

19 In the event that the State shall enter into a Management
20 and Concession Agreement, the Board may instruct the
21 Superintendent, on behalf of the Concessionaire, to enter into
22 an agreement or agreements with the management of state
23 lotteries operated pursuant to the laws of other states for the
24 purpose of creating and operating a multi-state lottery game
25 wherein a separate and distinct prize pool would be combined to
26 award larger prizes to the public than could be offered by the

1 several state lotteries individually. In the event that the
2 State shall enter into a Management and Concession Agreement,
3 no tickets or shares offered in connection with a multi-state
4 lottery game shall be sold within the State, except those
5 offered by the Concessionaire pursuant to the terms of the
6 Management and Concession Agreement and this amendatory Act of
7 the 95th General Assembly. No such agreement shall purport to
8 pledge the full faith and credit of the State of Illinois. No
9 multi-state game prize awarded to a nonresident of Illinois,
10 with respect to a ticket or share purchased in a state other
11 than the State of Illinois, shall be deemed to be a prize
12 awarded under this Act for the purpose of taxation under the
13 Illinois Income Tax Act.

14 (20 ILCS 1605/7.1) (from Ch. 120, par. 1157.1)

15 Sec. 7.1. Rules and regulations. The Department ~~may shall~~
16 promulgate such rules and regulations governing the
17 establishment and operation of a State lottery as it deems
18 necessary to carry out the purposes of this Act. Such rules and
19 regulations shall be subject to the provisions of The Illinois
20 Administrative Procedure Act. If the State enters into a
21 Management and Concession Agreement pursuant to which a
22 Concessionaire is authorized to manage or operate the Lottery,
23 the Board shall assume the Department's authorities and
24 discharge the Department's duties under this Section and
25 Section 7.2 of this Act. The Division ~~may shall~~ issue written

1 game rules, play instructions, directives, operations manuals,
2 brochures, or any other publications necessary to conduct
3 specific games, as authorized by rule by the Department. Any
4 written game rules, play instructions, directives, operations
5 manuals, brochures, or other game publications issued by the
6 Division that relate to a specific lottery game shall be
7 maintained as a public record in the Division's principal
8 office, and made available for public inspection and copying
9 but shall be exempt from the rulemaking procedures of the
10 Illinois Administrative Procedure Act. However, when such
11 written materials contain any policy of general applicability,
12 the Division shall formulate and adopt such policy as a rule in
13 accordance with the provisions of the Illinois Administrative
14 Procedure Act. In addition, the Division shall publish each
15 January in the Illinois Register a list of all game-specific
16 rules, play instructions, directives, operations manuals,
17 brochures, or other game-specific publications issued by the
18 Division during the previous year, if any, and instructions
19 concerning how the public may obtain copies of these materials
20 from the Division. In the event that State enters into a
21 Management and Concession Agreement, this Section 7.1 shall not
22 apply and the Concessionaire shall be permitted to offer game
23 specific material in accordance with the provisions of this
24 Act, the rules and regulations of the Board adopted hereunder,
25 and the terms of the Management and Concession Agreement.

26 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/7.2) (from Ch. 120, par. 1157.2)

2 Sec. 7.2. Matters included in rules and regulations. The
3 rules and regulations of the Department or, if the State enters
4 into a Management and Concession Agreement pursuant to which a
5 Concessionaire is authorized to manage or operate the lottery,
6 the Board may include, but shall not be limited to, the
7 following:

8 (1) The types of lotteries to be conducted.†

9 (2) The price, or prices, of tickets or shares in the
10 lottery.†

11 (3) The numbers and sizes of the prizes on the winning
12 tickets or shares.†

13 (4) The manner of selecting the winning tickets or shares.†

14 (5) The manner of payment of prizes to the holders of
15 winning tickets or shares.†

16 (6) The frequency of the drawing or selections of winning
17 tickets or shares, without limitation.†

18 (7) Without limit to number, the type or types of locations
19 at which tickets or shares may be sold.†

20 (8) The method to be used in selling tickets or shares.†

21 (9) The manner and amount of compensation, if any, to be
22 paid licensed sales agents necessary to provide for the
23 adequate availability of tickets or shares to prospective
24 buyers and for the convenience of the public.†

25 (10) (Blank). ~~The apportionment of the total revenues~~

1 ~~accruing from the sale of lottery tickets or shares and from~~
2 ~~all other sources among (i) the payment of prizes to the~~
3 ~~holders of winning tickets or shares, (ii) the payment of costs~~
4 ~~incurred in the operation and administration of the lottery,~~
5 ~~including the expenses of the Department and the costs~~
6 ~~resulting from any contract or contracts entered into for~~
7 ~~promotional, advertising or operational services or for the~~
8 ~~purchase or lease of lottery equipment and materials, and (iii)~~
9 ~~for monthly transfers to the Common School Fund. The net~~
10 ~~revenues accruing from the sale of lottery tickets shall be~~
11 ~~determined by deducting from total revenues the payments~~
12 ~~required by paragraphs (i) and (ii) of this subsection.~~

13 (11) Such other matters necessary or desirable for the
14 efficient and economical operation and administration of the
15 lottery or for the implementation and oversight of any
16 Management and Concession Agreement pursuant to which a
17 Concessionaire is authorized to manage or operate the Lottery
18 and for the convenience of the purchasers of tickets or shares
19 and the holders of winning tickets or shares.

20 ~~Any rules and regulations of the Department with respect to~~
21 ~~monthly transfers to the Common School Fund are subject to~~
22 ~~Section 21.2.~~

23 (Source: P.A. 84-1128.)

24 (20 ILCS 1605/7.3) (from Ch. 120, par. 1157.3)

25 Sec. 7.3. Hearings on violations; other hearings. The Board

1 shall designate Hearing Officers who shall conduct hearings
2 upon complaints charging violations of this Act or of
3 regulations thereunder, and such other hearings as may be
4 provided by Department rule. The Board may hear appeals from
5 the recommended decisions of its Hearing Officers in accordance
6 with procedures established by Department rule. Whenever the
7 Department issues a Notice of Assessment under Section 21 of
8 this Act, the lottery sales agent may protest such Notice by
9 filing a request for hearing within 20 days of the date of such
10 Notice.

11 (Source: P.A. 85-1224; 86-1475.)

12 (20 ILCS 1605/7.4) (from Ch. 120, par. 1157.4)

13 Sec. 7.4. Studies and investigations of lottery. The
14 Department or, if the State enters into a Management and
15 Concession Agreement pursuant to which a Concessionaire is
16 authorized to manage or operate the Lottery, the Board shall
17 carry on a continuous study and investigation of the lottery
18 throughout the State (1) for the purpose of ascertaining any
19 defects in this Act or in the rules and regulations issued
20 under this Act whereby any abuses in the administration and
21 operation of the lottery or any evasion of this Act or the
22 rules and regulations may arise or be practiced, (2) for the
23 purpose of formulating recommendations for changes in this Act
24 and the rules and regulations promulgated hereunder to prevent
25 such abuses and evasions, (3) to guard against the use of this

1 Act and the rules and regulations issued hereunder as a cloak
2 for the carrying on of organized gambling and crime, and (4) to
3 insure that the law and rules and regulations shall be in such
4 form and be so administered as to serve the true purposes of
5 this Act.

6 (Source: P.A. 84-1128.)

7 (20 ILCS 1605/7.5) (from Ch. 120, par. 1157.5)

8 Sec. 7.5. Reports on matters requiring changes in law. The
9 Board shall report to the Governor, the Attorney General, the
10 Speaker of the House, the President of the Senate, the minority
11 leaders of both houses, and such other State officers as from
12 time to time it deems appropriate, any matters which it deems
13 to require an immediate change in the laws of this State in
14 order to prevent abuses and evasions of this Act or rules and
15 regulations promulgated thereunder or to rectify undesirable
16 conditions in connection with the administration or operation
17 of the lottery.

18 (Source: P.A. 84-1128.)

19 (20 ILCS 1605/7.6) (from Ch. 120, par. 1157.6)

20 Sec. 7.6. Recommendations. The Board shall advise and make
21 recommendations to the Superintendent or the Director
22 regarding the functions and operations of the State Lottery. A
23 copy of all such recommendations shall also be forwarded to the
24 Governor, the Attorney General, the Speaker of the House, the

1 President of the Senate and the minority leaders of both
2 houses.

3 (Source: P.A. 94-776, eff. 5-19-06.)

4 (20 ILCS 1605/7.8) (from Ch. 120, par. 1157.8)

5 Sec. 7.8. Annual report; report as public report. The
6 Department, or, if the State enters into a Management and
7 Concession Agreement pursuant to which a Concessionaire is
8 authorized to manage or operate the Lottery, the Board shall
9 make an annual report regarding the work of the Board to the
10 Governor, the Speaker of the House, the President of the
11 Senate, and the minority leaders of both houses, such report to
12 be a public report.

13 (Source: P.A. 84-1128.)

14 (20 ILCS 1605/7.8a) (from Ch. 120, par. 1157.8a)

15 Sec. 7.8a. Advertising policy. The Board shall establish
16 advertising policy to ensure that advertising content and
17 practices do not target with the intent to exploit specific
18 groups or economic classes of people, and that its content is
19 accurate and not misleading. The Board shall review, at least
20 quarterly, all past advertising and proposed concepts for major
21 media campaigns to ensure that they do not target with the
22 intent to exploit specific groups or economic classes of
23 people, and that their content is accurate and not misleading.
24 If the Board finds that advertising conflicts with such policy,

1 it shall have the authority to direct the Department to cease
2 that advertising. If the State enters into a Management and
3 Concession Agreement pursuant to which a Concessionaire is
4 authorized to manage or operate the Lottery and the
5 Concessionaire has the right to undertake marketing and
6 advertising activities, the Concessionaire shall submit, for
7 the Board's review of content and determination of compliance
8 with this Section, all marketing and advertising materials
9 pursuant to such rules and policies as the Board may promulgate
10 from time to time. If the Board finds that action proposed or
11 taken by the Concessionaire conflicts with those rules or
12 policies, the Board shall have the authority to direct the
13 Concessionaire to cease or refrain from taking that action.

14 (Source: P.A. 85-183.)

15 (20 ILCS 1605/7.11) (from Ch. 120, par. 1157.11)

16 Sec. 7.11. (Repealed.) The Division may establish and
17 collect nominal charges for promotional products ("premiums")
18 and other promotional materials produced or acquired by the
19 Division as part of its advertising and promotion activities.
20 Such premiums or other promotional materials may be sold to
21 individuals, government agencies and not-for-profit
22 organizations, but not to for-profit enterprises for the
23 purpose of resale. Other State agencies shall be charged no
24 more than the cost to the Division of the premium or
25 promotional material. All proceeds from the sale of premiums or

1 ~~promotional materials shall be deposited in the State Lottery~~
2 ~~Fund in the State Treasury.~~

3 (Source: P.A. 94-776, eff. 5-19-06.)

4 (20 ILCS 1605/8) (from Ch. 120, par. 1158)

5 Sec. 8. Compelling appearance of witnesses and production
6 of documents; oaths and affirmations; dispositions. In
7 connection with any hearing held pursuant to Section 6.1 or 7.3
8 of this Act, the Board, or any Hearing Officer appointed by the
9 Board, may subpoena and compel the appearance of witnesses and
10 production of documents, papers, books, records and other
11 evidence before it in any matter over which it has
12 jurisdiction, control or supervision. The Board, or any
13 appointed Hearing Officer, shall have the power to administer
14 oaths and affirmations to persons whose testimony is required.
15 If a person subpoenaed to attend in any such proceeding or
16 hearing fails to obey the command of the subpoena without
17 reasonable cause, or if a person in attendance in any such
18 proceeding or hearing refuses, without lawful cause, to be
19 examined or to answer a legal or pertinent question or to
20 exhibit any books, account, record or other document when
21 ordered so to do by the Board or its Hearing Officer, the Board
22 or Hearing Officer may apply to the circuit court, upon proof
23 by affidavit of the facts, for an order returnable in not less
24 than 2 nor more than 10 days, or as the court may prescribe,
25 directing such person to show cause before the court why he or

1 she should not comply with such subpoena or such order.

2 Upon return of the order, the court shall examine such
3 person under oath, and if the court determines, after giving
4 such person an opportunity to be heard, that he or she refused
5 without legal excuse to comply with such subpoena or such order
6 of the Board or Hearing Officer, the court may order such
7 person to comply therewith immediately and any failure to obey
8 the order of the court may be punished as a contempt of court.

9 All subpoenas and subpoenas duces tecum issued under the
10 provisions of this Act may be served by any person of lawful
11 age. The fees of witnesses for attendance and travel shall be
12 the same as the fees of witnesses before the circuit courts of
13 this State. When the witness is subpoenaed at the instance of
14 the Department or any officer or employee thereof, such fees
15 shall be paid in the same manner as other expenses of the
16 Department. When the witness is subpoenaed at the instance of
17 any other party to any such proceeding, the Department may
18 require that the cost of service of the subpoena or subpoena
19 duces tecum and the fee of the witness be borne by the party at
20 whose instance the witness is summoned. In such case, and on
21 motion of the Department, the Board or its Hearing Officer may
22 require a deposit to cover the cost of such service and witness
23 fees.

24 The Department, or any officer or employee thereof, or any
25 other party to a hearing before the Board or its Hearing
26 Officers, may cause the depositions of witnesses within the

1 State to be taken in the manner prescribed by law for like
2 depositions in civil actions in courts of this State, and to
3 that end compel the attendance of witnesses and the production
4 of books, papers, records or memoranda.

5 (Source: P.A. 85-1224.)

6 (20 ILCS 1605/8.1) (from Ch. 120, par. 1158.1)

7 Sec. 8.1. Contracts; competitive negotiation. Contracts
8 for State Lottery tickets or shares or for other State Lottery
9 game related services shall be obtained through the utilization
10 of competitive negotiation procedures whenever practicable.

11 (Source: P.A. 84-268.)

12 (20 ILCS 1605/9) (from Ch. 120, par. 1159)

13 Sec. 9. Duties of Superintendent. The Superintendent, as
14 administrative head of the Division, shall direct and supervise
15 all its administrative and technical activities and shall
16 report to the Director. In addition to the duties imposed upon
17 him elsewhere in this Act, it shall be the Superintendent's
18 duty:

19 a. To supervise and administer the operation of the lottery
20 in accordance with the provisions of this Act or such rules and
21 regulations of the Department adopted thereunder.

22 b. To attend meetings of the Board or to appoint a designee
23 to attend in his stead.

24 c. To employ and direct such personnel in accord with the

1 Personnel Code, as may be necessary to carry out the purposes
2 of this Act. The Superintendent may, subject to the approval of
3 the Director, use the services, personnel, or facilities of the
4 Department. In addition, the Superintendent may by agreement
5 secure such services as he or she may deem necessary from any
6 other department, agency, or unit of the State government, and
7 may employ and compensate such consultants and technical
8 assistants as may be required and is otherwise permitted by
9 law.

10 d. To license, in accordance with the provisions of
11 Sections 10 and 10.1 of this Act and the rules and regulations
12 of the Department adopted thereunder, or to ensure the
13 retention, pursuant to the terms of a Management and Concession
14 Agreement, as agents to sell lottery tickets such persons as in
15 his opinion will best serve the public convenience and promote
16 the sale of tickets or shares. ~~The Superintendent may require a~~
17 ~~bond from every licensed agent, in such amount as provided in~~
18 ~~the rules and regulations of the Department.~~ Every licensed
19 agent shall prominently display his license, or a copy thereof,
20 as provided in the rules and regulations of the Department.

21 e. To suspend or revoke any license issued pursuant to this
22 Act or the rules and regulations promulgated by the Department
23 thereunder.

24 f. To confer regularly as necessary or desirable and not
25 less than once every month with the Lottery Control Board on
26 the operation and administration of the Lottery; to make

1 available for inspection by the Board or any member of the
2 Board, upon request, all books, records, files, and other
3 information and documents of his office; to advise the Board
4 and recommend such rules and regulations and such other matters
5 as he deems necessary and advisable to improve the operation
6 and administration of the lottery or the implementation and
7 oversight of a Management and Concession Agreement.

8 g. To enter into contracts for the operation of the
9 lottery, or any part thereof, ~~and into contracts for the~~
10 ~~promotion of the lottery on behalf of the Department~~ with any
11 person, firm or corporation, to perform any of the functions
12 provided for in this Act or the rules and regulations
13 promulgated thereunder. The Department shall not expend State
14 funds on a contractual basis for such functions unless those
15 functions and expenditures are expressly authorized by the
16 General Assembly.

17 h. To enter into a Management and Concession Agreement that
18 authorizes a Concessionaire to enter into an agreement or
19 agreements with the management of state lotteries operated
20 pursuant to the laws of other states for the purpose of
21 creating and operating a multi-state lottery game wherein a
22 separate and distinct prize pool would be combined to award
23 larger prizes to the public than could be offered by the
24 several state lotteries, individually or, if the State enters
25 into a Management and Concession Agreement pursuant to which a
26 Concessionaire is authorized to manage or operate the Lottery,

1 to authorize the Concessionaire to take such action. No tickets
2 or shares offered in connection with a multi-state lottery game
3 shall be sold within the State of Illinois, except those
4 offered by and through the Department or, if the State enters
5 into a Management and Concession Agreement pursuant to which a
6 Concessionaire is authorized to manage or operate the Lottery,
7 by the Concessionaire pursuant to the terms of the Management
8 and Concession Agreement and this amendatory Act of the 95th
9 General Assembly. No such agreement shall purport to pledge the
10 full faith and credit of the State of Illinois, nor shall the
11 Department expend State funds on a contractual basis in
12 connection with any such game unless such expenditures are
13 expressly authorized by the General Assembly, provided,
14 however, that in the event of error or omission by the Illinois
15 State Lottery in the conduct of the game, as determined by the
16 multi-state game directors, except as may be and to the extent
17 modified by the terms of a Management and Concession Agreement,
18 the Department shall be authorized to pay a prize winner or
19 winners the lesser of a disputed prize or \$1,000,000, any such
20 payment to be made solely from funds appropriated for game
21 prize purposes. Except as may be and to the extent modified by
22 the terms of a Management and Concession Agreement, the ~~The~~
23 Department shall be authorized to share in the ordinary
24 operating expenses of any such multi-state lottery game, from
25 funds appropriated by the General Assembly, and in the event
26 the multi-state game control offices are physically located

1 within the State of Illinois, the Department is authorized to
2 advance start-up operating costs not to exceed \$150,000,
3 subject to proportionate reimbursement of such costs by the
4 other participating state lotteries. The Department shall be
5 authorized to share proportionately in the costs of
6 establishing a liability reserve fund from funds appropriated
7 by the General Assembly. The Department is authorized to
8 transfer prize award funds attributable to Illinois sales of
9 multi-state lottery game tickets to the multi-state control
10 office, or its designated depository, for deposit to such game
11 pool account or accounts as may be established by the
12 multi-state game directors, the records of which account or
13 accounts shall be available at all times for inspection in an
14 audit by the Auditor General of Illinois and any other auditors
15 pursuant to the laws of the State of Illinois. No multi-state
16 game prize awarded to a nonresident of Illinois, with respect
17 to a ticket or share purchased in a state other than the State
18 of Illinois, shall be deemed to be a prize awarded under this
19 Act for the purpose of taxation under the Illinois Income Tax
20 Act. ~~All of the net revenues accruing from the sale of~~
21 ~~multi-state lottery tickets or shares shall be transferred into~~
22 ~~the Common School Fund pursuant to Section 7.2.~~ The Department
23 shall promulgate such rules as may be appropriate to implement
24 the provisions of this Section.

25 i. To make a continuous study and investigation of (1) the
26 operation and the administration of similar laws which may be

1 in effect in other states or countries, (2) any literature on
2 the subject which from time to time may be published or
3 available, (3) any Federal laws which may affect the operation
4 of the lottery, and (4) the reaction of Illinois citizens to
5 existing and potential features of the lottery with a view to
6 recommending or effecting changes that will tend to serve the
7 purposes of this Act.

8 j. To report monthly to the State Treasurer and the Lottery
9 Control Board a full and complete statement of lottery
10 revenues, ~~prize disbursements~~ and other expenses for each
11 quarter month and the amounts to be transferred to ~~the Common~~
12 ~~School Fund pursuant to Section 7.2 or~~ such ~~other~~ funds as are
13 ~~otherwise~~ authorized by ~~Section 21.2 of~~ this Act, and to make
14 an annual report, which shall include a full and complete
15 statement of lottery or concession revenues, ~~prize~~
16 ~~disbursements~~ and ~~other~~ expenses, to the Governor and the
17 Board. All reports required by this subsection shall be public
18 and copies of all such reports shall be sent to the Speaker of
19 the House, the President of the Senate, and the minority
20 leaders of both houses.

21 k. In the event that the State shall enter into a
22 Management and Concession Agreement, it shall be the duty of
23 the Superintendent, together with the Board, to supervise and
24 administer the operations of the lottery in accordance with the
25 provisions of this Act, the rules and regulations of the Board
26 adopted hereunder, and the terms of the Management and

1 Concession Agreement.

2 (Source: P.A. 94-776, eff. 5-19-06.)

3 (20 ILCS 1605/10) (from Ch. 120, par. 1160)

4 Sec. 10. Licensing of agents to sell lottery tickets or
5 shares. The Division, upon application therefor on forms
6 prescribed by the Division, and upon a determination by the
7 Division that the applicant meets all of the qualifications
8 specified in this Act, shall issue a license as an agent to
9 sell lottery tickets or shares. No license as an agent to sell
10 lottery tickets or shares shall be issued to any person to
11 engage in business exclusively as a lottery sales agent.

12 Before issuing such license the Superintendent shall
13 consider (a) the financial responsibility and security of the
14 person and his business or activity, (b) the accessibility of
15 his place of business or activity to the public, (c) the
16 sufficiency of existing licenses to serve the public
17 convenience, (d) the volume of expected sales, and (e) such
18 other factors as he or she may deem appropriate.

19 Until September 1, 1987, the provisions of Sections 2a, 4,
20 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6, 6a, 6b, 6c, 8, 9,
21 10, 12 and 13.5 of the Retailers' Occupation Tax Act which are
22 not inconsistent with this Act shall apply to the subject
23 matter of this Act to the same extent as if such provisions
24 were included in this Act. For purposes of this Act, references
25 in such incorporated Sections of the Retailers' Occupation Tax

1 Act to retailers, sellers or persons engaged in the business of
2 selling tangible personal property mean persons engaged in
3 selling lottery tickets or shares; references in such
4 incorporated Sections to sales of tangible personal property
5 mean the selling of lottery tickets or shares; and references
6 in such incorporated Sections to certificates of registration
7 mean licenses issued under this Act. The provisions of the
8 Retailers' Occupation Tax Act as heretofore applied to the
9 subject matter of this Act shall not apply with respect to
10 tickets sold by or delivered to lottery sales agents on and
11 after September 1, 1987, but such provisions shall continue to
12 apply with respect to transactions involving the sale and
13 delivery of tickets prior to September 1, 1987.

14 All licenses issued by the Division under this Act shall be
15 valid for a period not to exceed 2 years after issuance unless
16 sooner revoked, canceled or suspended as in this Act provided.
17 No license issued under this Act shall be transferable or
18 assignable. Such license shall be conspicuously displayed in
19 the place of business conducted by the licensee in Illinois
20 where lottery tickets or shares are to be sold under such
21 license.

22 For purposes of this Section, the term "person" shall be
23 construed to mean and include an individual, association,
24 partnership, corporation, club, trust, estate, society,
25 company, joint stock company, receiver, trustee, referee, any
26 other person acting in a fiduciary or representative capacity

1 who is appointed by a court, or any combination of individuals.
2 "Person" includes any department, commission, agency or
3 instrumentality of the State, including any county, city,
4 village, or township and any agency or instrumentality thereof.

5 If the State enters into a Management and Concession
6 Agreement pursuant to which the State authorizes a
7 Concessionaire to retain agents to distribute lottery tickets,
8 the Division shall cease issuing licenses to agents to sell
9 lottery tickets or shares during the term of the Management and
10 Concession Agreement. In retaining such agents, the
11 Concessionaire shall apply appropriate criteria in determining
12 suitability of those agents, including without limitation,
13 criteria establishing the ineligibility for a license as set
14 forth in Section 10.1 of this Act. Further, the Concessionaire
15 shall provide to the Department, not less than monthly, a list
16 of all agents the Concessionaire has engaged to distribute
17 lottery tickets or shares, which statement shall include a
18 certification that all such agents comply with the eligibility
19 standards set forth in this Act.

20 (Source: P.A. 94-776, eff. 5-19-06.)

21 (20 ILCS 1605/10.1) (from Ch. 120, par. 1160.1)

22 Sec. 10.1. Persons ineligible for licenses. The following
23 are ineligible for any license under this Act:

24 (a) any person who has been convicted of a felony;

25 (b) any person who is or has been a professional gambler or

1 gambling promoter, except when the person acted in such a
2 capacity pursuant to and in compliance with all applicable law;

3 (c) any person who has engaged in bookmaking or other forms
4 of illegal gambling;

5 (d) any person who is not of good character and reputation
6 in the community in which he resides;

7 (e) any person who has been found guilty of any fraud or
8 misrepresentation in any connection;

9 (f) any firm or corporation in which a person defined in
10 (a), (b), (c), (d) or (e) has a proprietary, equitable or
11 credit interest of 5% or more.

12 (g) any organization in which a person defined in (a), (b),
13 (c), (d) or (e) is an officer, director, or managing agent,
14 whether compensated or not;

15 (h) any organization in which a person defined in (a), (b),
16 (c), (d), or (e) is to participate in the management or sales
17 of lottery tickets or shares.

18 However, with respect to persons defined in (a), the
19 Department may grant any such person a license under this Act
20 when:

21 1) at least 10 years have elapsed since the date when the
22 sentence for the most recent such conviction was satisfactorily
23 completed;

24 2) the applicant has no history of criminal activity
25 subsequent to such conviction;

26 3) the applicant has complied with all conditions of

1 probation, conditional discharge, supervision, parole or
2 mandatory supervised release; and

3 4) the applicant presents at least 3 letters of
4 recommendation from responsible citizens in his community who
5 personally can attest that the character and attitude of the
6 applicant indicate that he is unlikely to commit another crime.

7 The Division may revoke, without notice or a hearing, the
8 license of any agent who violates this Act or any rule or
9 regulation promulgated pursuant to this Act. If the State
10 enters into a Management and Concession Agreement pursuant to
11 which the State authorizes a Concessionaire to engage any sales
12 agent, the Division shall retain the power to revoke any such
13 agency pursuant to the provisions of this Act. However, if the
14 Division does revoke a license without notice and an
15 opportunity for a hearing, the Division shall, by appropriate
16 notice, afford the person whose license has been revoked an
17 opportunity for a hearing within 30 days after the revocation
18 order has been issued. As a result of any such hearing, the
19 Division may confirm its action in revoking the license, or it
20 may order the restoration of such license.

21 (Source: P.A. 94-776, eff. 5-19-06.)

22 (20 ILCS 1605/10.1a) (from Ch. 120, par. 1160.1a)

23 Sec. 10.1a. Failure to satisfy tax Act requirements. In
24 addition to other grounds specified in this Act, the Division
25 shall refuse to issue and shall suspend the license of any

1 lottery sales agency who fails to file a return, or to pay the
2 tax, penalty or interest shown in a filed return, or to pay any
3 final assessment of tax, penalty or interest, as required by
4 any tax Act administered by the Department, until such time as
5 the requirements of any such tax Act are satisfied, unless the
6 agency is contesting, in accordance with the procedures
7 established by the appropriate revenue Act, its liability for
8 the tax or the amount of tax. If the State enters into a
9 Management and Concession Agreement pursuant to which the State
10 authorizes a Concessionaire to engage any sales agent, the
11 Division may direct the Concessionaire to refrain from engaging
12 or to suspend the engagement of any party acting or seeking to
13 act as a sales agent. The Division shall affirmatively verify
14 the tax status of every sales agency before issuing or renewing
15 a license, except that, if the State enters into a Management
16 and Concession Agreement pursuant to which the State authorizes
17 a Concessionaire to engage any sales agent, the Division shall
18 verify the tax status of each agent from the list of agents
19 provided by the Concessionaire pursuant to Section 10 of this
20 Act. For purposes of this Section, a sales agency shall not be
21 considered delinquent in the payment of a tax if the agency (a)
22 has entered into an agreement with the Department for the
23 payment of all such taxes that are due and (b) is in compliance
24 with the agreement.

25 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/10.2) (from Ch. 120, par. 1160.2)

2 Sec. 10.2. Application and other fees. Each application
3 for a new lottery license must be accompanied by a one-time
4 application fee of \$50; the Division, however, may waive the
5 fee for licenses of limited duration as provided by Department
6 rule. Each application for renewal of a lottery license must be
7 accompanied by a renewal fee of \$25. Each lottery licensee
8 granted on-line status pursuant to the Department's rules must
9 pay a fee of \$10 per week as partial reimbursement for
10 telecommunications charges incurred by the Department in
11 providing access to the lottery's on-line gaming system. The
12 Department, by rule, may increase or decrease the amount of
13 these fees. No Concessionaire that may retain sales agents for
14 the Lottery pursuant to the terms of a Management and
15 Concession Agreement may assess any fee pursuant this Section.

16 (Source: P.A. 93-840, eff. 7-30-04; 94-776, eff. 5-19-06.)

17 (20 ILCS 1605/10.3) (from Ch. 120, par. 1160.3)

18 Sec. 10.3. Proceeds received by sales agent. All proceeds
19 from the sale of lottery tickets or shares received by a person
20 in the capacity of a sales agent shall constitute a trust fund
21 until paid to the Department either directly, or through the
22 Department's authorized collection representative. Proceeds
23 shall include unsold instant tickets received by a sales agent
24 and cash proceeds of sale of any lottery products, net of
25 allowable sales commissions and credit for lottery prizes paid

1 to winners by sales agents. Sales proceeds and unsold instant
2 tickets shall be delivered to the Department or its authorized
3 collection representative upon demand. Sales agents shall be
4 personally liable for all proceeds which shall be kept separate
5 and apart from all other funds and assets and shall not be
6 commingled with any other funds or assets. In the case of a
7 sales agent who is not an individual, personal liability shall
8 attach to the owners and officers of the sales agent. The
9 Department shall have a right to file a lien upon all real and
10 personal property of any person who is personally liable under
11 this Section for any unpaid proceeds, which were to be
12 segregated as a trust fund under this Section, at any time
13 after such payment was to have been made. Such lien shall
14 include any interest and penalty provided for by this Act and
15 shall be deemed equivalent to, and have the same effect as, the
16 State tax lien under the Retailers' Occupation Tax Act. The
17 term "person" as used in this Section, and in Section 10.4 of
18 this Act, shall have the same meaning as provided in Section 10
19 of this Act. This Section, and Sections 10.4 and 10.5 of this
20 Act shall apply with respect to all lottery tickets or shares
21 generated by computer terminal, other electronic device, and
22 any other tickets delivered to sales agents on and after
23 September 1, 1987. If the State enters into a Management and
24 Concession Agreement pursuant to which a Concessionaire is
25 authorized to manage or operate the Lottery and pursuant to
26 which the State shall receive any portion of Lottery revenue:

1 (i) the Concessionaire may be the Department's authorized
2 collection representative; and (ii) no such arrangement shall
3 diminish the Department's rights pursuant to this Section. For
4 purposes of this Section, "sales agent" includes any sales
5 agent engaged by a Concessionaire pursuant to the terms of a
6 Management and Concession Agreement.

7 (Source: P.A. 86-905.)

8 (20 ILCS 1605/10.4) (from Ch. 120, par. 1160.4)

9 Sec. 10.4. Proceeds received by sales agent; violations.

10 Every person who shall violate the provisions of Section 10.3,
11 or who does not segregate and keep separate and apart from all
12 other funds and assets, all proceeds from the sale of lottery
13 tickets received by a person in the capacity of a sales agent,
14 shall upon conviction thereof be guilty of a Class 4 felony.
15 The provisions of this Section shall be enforced by the
16 Illinois Department of State Police and prosecuted by the
17 Attorney General.

18 (Source: P.A. 85-183; 86-1475.)

19 (20 ILCS 1605/10.5) (from Ch. 120, par. 1160.5)

20 Sec. 10.5. Sales agent; insolvency. Whenever any person who
21 receives proceeds from the sale of lottery tickets in the
22 capacity of sales agent becomes insolvent, or dies insolvent,
23 the proceeds due the Department from such person or his estate
24 shall have preference over all debts or demands, except as

1 follows:

2 (a) Amounts due for necessary funeral expenses;

3 (b) Amounts due for medical care and medicine during his
4 most recent illness preceding death;

5 (c) Debts due to the United States;

6 (d) Debts due to the State of Illinois and all State and
7 local taxes; and

8 (e) Wages for labor performed within the 6 months
9 immediately preceding the death of such deceased person, not
10 exceeding \$1,000 due to another person and provided further
11 that such proceeds shall be nondischargeable in insolvency
12 proceedings instituted pursuant to Chapter 7, Chapter 11, or
13 Chapter 13 of the Federal Bankruptcy Act.

14 (Source: P.A. 85-183.)

15 (20 ILCS 1605/10.6) (from Ch. 120, par. 1160.6)

16 Sec. 10.6. Odds of winning. The Division shall make an
17 effort to more directly inform players of the odds of winning
18 prizes. This effort shall include, at a minimum, that the
19 Division require all ticket agents to display a placard stating
20 the odds of winning for each game offered by that agent. In the
21 event that the State shall enter into a Management and
22 Concession Agreement, the Division shall be relieved of its
23 duties under this Section 10.6 and the Concessionaire shall be
24 obligated to comply with the requirements of this Section 10.6.

25 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/10.7)

2 Sec. 10.7. Compulsive gambling.

3 (a) Each lottery sales agent shall post a statement
4 regarding obtaining assistance with gambling problems and
5 including a toll-free "800" telephone number providing crisis
6 counseling and referral services to families experiencing
7 difficulty as a result of problem or compulsive gambling. The
8 text of the statement shall be determined by rule by the
9 Department of Human Services, shall be no more than one
10 sentence in length, and shall be posted on the placard required
11 under Section 10.6. The signs shall be provided by the
12 Department of Human Services.

13 (b) The Division shall print a statement regarding
14 obtaining assistance with gambling problems, the text of which
15 shall be determined by rule by the Department of Human
16 Services, on all paper stock it provides to the general public.

17 (c) The Division shall print a statement of no more than
18 one sentence in length regarding obtaining assistance with
19 gambling problems and including a toll-free "800" number
20 providing crisis counseling and referral services to families
21 experiencing difficulty as a result of problem or compulsive
22 gambling on the back of all lottery tickets.

23 (d) If the State enters into a Management and Concession
24 Agreement pursuant to which a Concessionaire is authorized to
25 manage or operate the Lottery, the Concessionaire shall assume

1 and discharge all duties of the Division under subsections (a),
2 (b), and (c) of this Section.

3 (Source: P.A. 94-776, eff. 5-19-06.)

4 (20 ILCS 1605/11) (from Ch. 120, par. 1161)

5 Sec. 11. Officers and employees; civil or criminal
6 penalties; devolution of powers or duties. Every officer and
7 employee shall for any offense be subject to the same penalty
8 or penalties, civil or criminal, as are prescribed by existing
9 law for the same offense by any officer or employee whose
10 powers or duties devolve upon him under this Act.

11 (Source: P.A. 78-3rd S.S.-20.)

12 (20 ILCS 1605/12) (from Ch. 120, par. 1162)

13 Sec. 12. Public inspection and copying of records and data;
14 exceptions. The public inspection and copying of the records
15 and data of the Division and the Board shall be generally
16 governed by the provisions of the Freedom of Information Act
17 except that the following shall additionally be exempt from
18 inspection and copying:

19 (i) information privileged against introduction in
20 judicial proceedings;

21 (ii) internal communications of the several agencies;

22 (iii) information concerning secret manufacturing
23 processes or confidential data submitted by any person
24 under this Act;

1 (iv) any creative proposals, scripts, storyboards or
2 other materials prepared by or for the Division or a
3 Concessionaire under a Management and Concession
4 Agreement, prior to the placement of the materials in the
5 media, if the prior release of the materials would
6 compromise the effectiveness of an advertising campaign.

7 (Source: P.A. 94-776, eff. 5-19-06.)

8 (20 ILCS 1605/13) (from Ch. 120, par. 1163)

9 Sec. 13. Right to prize; payment. Except as otherwise
10 provided in Section 13.1, no prize, nor any portion of a prize,
11 nor any right of any person to a prize awarded shall be
12 assignable. Any prize, or portion thereof remaining unpaid at
13 the death of a prize winner, may be paid to the estate of such
14 deceased prize winner, or to the trustee under a revocable
15 living trust established by the deceased prize winner as
16 settlor, provided that a copy of such a trust has been filed
17 with the Department along with a notarized letter of direction
18 from the settlor and no written notice of revocation has been
19 received by the Division prior to the settlor's death.
20 Following such a settlor's death and prior to any payment to
21 such a successor trustee, the Superintendent shall obtain from
22 the trustee a written agreement to indemnify and hold the
23 Department and the Division harmless with respect to any claims
24 that may be asserted against the Department or the Division
25 arising from payment to or through the trust. Notwithstanding

1 any other provision of this Section, any person pursuant to an
2 appropriate judicial order may be paid the prize to which a
3 winner is entitled, and all or part of any prize otherwise
4 payable by State warrant under this Section shall be withheld
5 upon certification to the State Comptroller from the ~~Illinois~~
6 Department of Healthcare and Family Services ~~Public Aid~~ as
7 provided in Section 10-17.5 of The Illinois Public Aid Code.
8 The Director and the Superintendent shall be discharged of all
9 further liability upon payment of a prize pursuant to this
10 Section.

11 If the State enters into a Management and Concession
12 Agreement pursuant to which a payor other than the State, or a
13 department, division, agency, or other unit of the State shall
14 have the obligation to pay a prize, except as otherwise
15 provided in Section 13.1, neither a prize, nor any portion of a
16 prize, nor any right of any person to a prize awarded shall be
17 assignable. Any prize, or portion thereof remaining unpaid at
18 the death of a prize winner, may be paid to the estate of that
19 deceased prize winner, or to the trustee under a revocable
20 living trust established by the deceased prize winner as
21 settlor, provided that a copy of that trust has been delivered
22 to the third party prize payor along with a notarized letter of
23 direction from the settlor and no written notice of revocation
24 has been received by the third party prize payor prior to the
25 settlor's death. Following such a settlor's death and prior to
26 any payment to such a successor trustee, the third party prize

1 payor shall obtain from the trustee a written agreement to
2 indemnify and hold the third party prize payor and the State
3 harmless with respect to any claims that may be asserted
4 against such third party prize payor or the State arising from
5 the payment of the prize to or through the trust. The Director
6 and the Superintendent shall be discharged of all further
7 liability upon payment of a prize pursuant to this Section.

8 (Source: P.A. 93-465, eff. 1-1-04; 94-776, eff. 5-19-06;
9 revised 8-21-06.)

10 (20 ILCS 1605/14) (from Ch. 120, par. 1164)

11 Sec. 14. Sale of ticket or share at greater than fixed
12 price; sale or resale of tickets or shares; charging a fee to
13 redeem winning ticket or share; punishment. No person shall
14 sell a ticket or share at a price greater than that fixed by
15 rule or regulation of the Department or the Division. No person
16 other than a licensed lottery sales agent or distributor or a
17 sales agent engaged by a Concessionaire pursuant to the terms
18 of a Management and Concession Agreement shall sell or resell
19 lottery tickets or shares. No person shall charge a fee to
20 redeem a winning ticket or share.

21 Any person convicted of violating this Section shall be
22 guilty of a Class B misdemeanor; provided, that if any offense
23 under this Section is a subsequent offense, the offender shall
24 be guilty of a Class 4 felony.

25 (Source: P.A. 94-776, eff. 5-19-06.)

1 (20 ILCS 1605/14.2) (from Ch. 120, par. 1164.2)

2 Sec. 14.2. Lottery ticket fraud; prima facie evidence. Any
3 person who, with intent to defraud, shall falsely make, alter,
4 forge, utter, pass or counterfeit a lottery ticket or share
5 issued by the State of Illinois under this Act shall be guilty
6 of a Class 4 felony.

7 It shall be prima facie evidence of intent to defraud for a
8 person to possess a lottery ticket or share issued by the State
9 under this Act if he or she knows that ticket or share was
10 falsely made, altered, forged, uttered, passed, or
11 counterfeited.

12 (Source: P.A. 89-466, eff. 6-13-96.)

13 (20 ILCS 1605/14.3)

14 Sec. 14.3. Misuse of proprietary material prohibited.
15 Except as may be provided in Section 7.11, or by bona fide sale
16 or by prior authorization from the Department or the Division,
17 or otherwise by law, all premiums, promotional and other
18 proprietary material produced or acquired by the Division as
19 part of its advertising and promotional activities shall remain
20 the property of the Department. Nothing herein shall be
21 construed to affect the rights or obligations of the Department
22 or any other person under federal or State trademark or
23 copyright laws, nor shall anything herein be construed to
24 prevent the Department or Division from assigning its rights in

1 such property to a Concessionaire pursuant to a Management and
2 Concession Agreement.

3 (Source: P.A. 94-776, eff. 5-19-06.)

4 (20 ILCS 1605/15) (from Ch. 120, par. 1165)

5 Sec. 15. Prohibition against minors under 18 years of age
6 and certain other persons purchasing or being furnished lottery
7 tickets or shares. No minor under 18 years of age shall buy a
8 lottery ticket or share. No person shall sell, distribute
9 samples of, or furnish a lottery ticket or share to any minor
10 under 18 years of age, buy a lottery ticket or share for any
11 minor under 18 years of age, or aid and abet in the purchase of
12 lottery tickets or shares by a minor under 18 years of age.

13 No ticket or share shall be purchased by, and no prize
14 shall be paid to any of the following persons: any member of
15 the Board or any officer or other person employed by the Board
16 or by the Department; any spouse, child, brother, sister or
17 parent residing as a member of the same household in the
18 principal place of abode of any such persons; or any minor
19 under 18 years of age.

20 Any violation of this Section by a person other than the
21 purchasing minor shall be a Class B misdemeanor; provided, that
22 if any violation of this Section is a subsequent violation, the
23 offender shall be guilty of a Class 4 felony. Notwithstanding
24 any provision to the contrary, a violation of this Section by a
25 minor under 18 years of age shall be a petty offense.

1 (Source: P.A. 90-346, eff. 8-8-97.)

2 (20 ILCS 1605/16) (from Ch. 120, par. 1166)

3 Sec. 16. Violations of Act, rules, or regulations;
4 punishment; enforcement. It shall be a Class B misdemeanor to
5 violate this Act or any rule or regulation promulgated
6 thereunder, or knowingly to submit any false information under
7 this Act or rules or regulations adopted thereunder; except
8 that, if any person engages in such offense after one or more
9 prior convictions under this Act, or any law of the United
10 States or of any State relating to gambling or State operated
11 lotteries, he shall be guilty of a Class 4 felony. It shall be
12 the duty of all State and local law enforcement officers to
13 enforce such Act and regulations.

14 (Source: P.A. 78-3rd S.S.-20.)

15 (20 ILCS 1605/17) (from Ch. 120, par. 1167)

16 Sec. 17. Other laws providing penalty or disability for
17 sale of lottery tickets or shares inapplicable. No other law
18 providing any penalty or disability for the sale of lottery
19 tickets or shares or any acts done in connection with the
20 lottery established under this Act shall apply to the sale of
21 tickets or shares performed pursuant to this Act.

22 (Source: P.A. 81-477.)

23 (20 ILCS 1605/19) (from Ch. 120, par. 1169)

1 Sec. 19. Claiming prizes. The Division shall establish an
2 appropriate period for the claiming of prizes for each lottery
3 game offered. Each claim period shall be stated in game rules
4 and written play instructions issued by the Superintendent in
5 accordance with Section 7.1 of this Act or, if the State enters
6 into a Management and Concession Agreement pursuant to which a
7 Concessionaire shall manage or operate the Lottery, such rules
8 and written play instructions as may be issued in accordance
9 with the terms of the Management and Concession Agreement.
10 Written play instructions shall be made available to all
11 players through sales agents licensed to sell game tickets or
12 shares. Prizes for lottery games which involve the purchase of
13 a physical lottery ticket may be claimed only by presentation
14 of a valid winning lottery ticket that matches validation
15 records on file with the Lottery or, if the State enters into a
16 Management and Concession Agreement pursuant to which a
17 Concessionaire manages or operates the Lottery, the records on
18 file with that Concessionaire; no claim may be honored which is
19 based on the assertion that the ticket was lost or stolen. No
20 lottery ticket which has been altered, mutilated, or fails to
21 pass validation tests shall be deemed to be a winning ticket.

22 If no claim is made for the money within the established
23 claim period, then the unclaimed prize money shall be
24 transferred to the General Revenue Fund ~~the prize may be~~
25 ~~included in the prize pool of such special drawing or drawings~~
26 ~~as the Division may, from time to time, designate.~~ Unclaimed

1 multi-state game prize money may be included in the multi-state
2 prize pool for such special drawing or drawings as the
3 multi-state game directors may, from time to time, designate.
4 ~~Any bonuses offered by the Department to sales agents who sell~~
5 ~~winning tickets or shares shall be payable to such agents~~
6 ~~regardless of whether or not the prize money on the ticket or~~
7 ~~share is claimed, provided that the agent can be identified as~~
8 ~~the vendor of the winning ticket or share, and that the winning~~
9 ~~ticket or share was sold on or after January 1, 1984. All~~
10 ~~unclaimed prize money not included in the prize pool of a~~
11 ~~special drawing shall be transferred to the Common School Fund.~~
12 (Source: P.A. 94-776, eff. 5-19-06.)

13 (20 ILCS 1605/20) (from Ch. 120, par. 1170)

14 Sec. 20. State Lottery Fund.

15 (a) There is created in the State Treasury a special fund
16 to be known as the "State Lottery Fund". Such fund shall
17 consist of all revenues received from (1) the sale of lottery
18 tickets or shares, (net of commissions, fees representing those
19 expenses that are directly proportionate to the sale of tickets
20 or shares at the agent location, and prizes of less than \$600
21 which have been validly paid at the agent level), (2)
22 application fees, and (3) all other sources including moneys
23 credited or transferred thereto from any other fund or source
24 pursuant to law and, if the State enters into a Management and
25 Concession Agreement, any moneys accruing to the State pursuant

1 to the terms of that Agreement. Interest earnings of the State
2 Lottery Fund shall be credited to the Common School Fund.

3 (b) The receipt and distribution of moneys under Section
4 21.5 of this Act shall be in accordance with Section 21.5.

5 (c) ~~(b)~~ The receipt and distribution of moneys under
6 Section 21.6 of this Act shall be in accordance with Section
7 21.6.

8 (Source: P.A. 94-120, eff. 7-6-05; 94-585, eff. 8-15-05;
9 revised 8-19-05.)

10 (20 ILCS 1605/21) (from Ch. 120, par. 1171)

11 Sec. 21. Payments or deposits of moneys and income. All
12 lottery sales agents or distributors shall be liable to the
13 Lottery for any and all tickets accepted or generated by any
14 employee or representative of that agent or distributor, and
15 such tickets shall be deemed to have been purchased by the
16 agent or distributor unless returned to the Lottery or if the
17 State enters into a Management and Concession Agreement
18 pursuant to which a Concessionaire engages sales agents or
19 distributors, to such Concessionaire as may be allowed
20 according to the terms of the Management and Concession
21 Agreement within the time and in the manner prescribed by the
22 Superintendent. All moneys received by such agents or
23 distributors from the sale of lottery tickets or shares, less
24 the amount retained as compensation for the sale of the tickets
25 or shares and the amount paid out as prizes, shall be paid over

1 to a lottery representative or deposited in a bank or savings
2 and loan association approved by the State Treasurer, as
3 prescribed by the Superintendent or, if the State enters into a
4 Management and Concession Agreement pursuant to which those
5 moneys are to be held by a trustee, to that trustee and in
6 accordance with such terms as may be set forth in the
7 Management and Concession Agreement.

8 No bank or savings and loan association shall receive any
9 ~~public~~ funds as permitted by this Section, unless it has
10 complied with the requirements established pursuant to Section
11 6 of the Public Funds Investment Act.

12 Each payment or deposit shall be accompanied by a report of
13 the agent's receipts and transactions in the sale of lottery
14 tickets in such form and containing such information as the
15 Superintendent, or if the State enters into a Management and
16 Concession Agreement, as the Concessionaire may require. Any
17 discrepancies in such receipts and transactions may be resolved
18 as provided by the rules and regulations of the Department.

19 If any money due the Lottery by a sales agent or
20 distributor is not paid when due or demanded, it shall
21 immediately become delinquent and be billed on a subsequent
22 monthly statement. If on the closing date for any monthly
23 statement a delinquent amount previously billed of more than
24 \$50 remains unpaid, interest in such amount shall be accrued at
25 the rate of 2% per month or fraction thereof from the date when
26 such delinquent amount becomes past due until such delinquent

1 amount, including interest, penalty and other costs and charges
2 that the Department may incur in collecting such amounts, is
3 paid. In case any agent or distributor fails to pay any moneys
4 due the Lottery within 30 days after a second bill or statement
5 is rendered to the agent or distributor, such amount shall be
6 deemed seriously delinquent and may be referred by the
7 Department to a collection agency or credit bureau for
8 collection. Any contract entered into by the Department for the
9 collection of seriously delinquent accounts with a collection
10 agency or credit bureau may be satisfied by a commercially
11 reasonable percentage of the delinquent account recouped,
12 which shall be negotiated by the Department in accordance with
13 commercially accepted standards. Any costs incurred by the
14 Department or others authorized to act in its behalf in
15 collecting such delinquencies may be assessed against the agent
16 or distributor and included as a part of the delinquent
17 account.

18 In case of failure of an agent or distributor to pay a
19 seriously delinquent amount, or any portion thereof, including
20 interest, penalty and costs, the Division may issue a Notice of
21 Assessment. In determining amounts shown on the Notice of
22 Assessment, the Division shall utilize the financial
23 information available from its records. Such Notice of
24 Assessment shall be prima facie correct and shall be prima
25 facie evidence of delinquent sums due under this Section at any
26 hearing before the Board, or its Hearing Officers, or at any

1 other legal proceeding. Reproduced copies of the Division's
2 records relating to a delinquent account or a Notice of
3 Assessment offered in the name of the Department, under the
4 Certificate of the Director or any officer or employee of the
5 Department designated in writing by the Director shall, without
6 further proof, be admitted into evidence in any such hearing or
7 any legal proceeding and shall be prima facie proof of the
8 delinquency, including principal and any interest, penalties
9 and costs, as shown thereon. The Attorney General may bring
10 suit on behalf of the Department to collect all such delinquent
11 amounts, or any portion thereof, including interest, penalty
12 and costs, due the Lottery.

13 Any person who accepts money that is due to the Department
14 from the sale of lottery tickets or shares under this Act, but
15 who wilfully fails to remit such payment to the Department when
16 due or who purports to make such payment but wilfully fails to
17 do so because such ~~his check or other~~ remittance fails to clear
18 the financial institution ~~bank or savings and loan association~~
19 against which it is drawn, in addition to the amount due and in
20 addition to any other penalty provided by law, shall be
21 assessed, and shall pay, a penalty equal to 5% of the
22 deficiency plus any costs or charges incurred by the Department
23 in collecting such amount.

24 The Director may make such arrangements for any person(s),
25 financial institution, ~~banks, savings and loan associations~~ or
26 distributors, to perform such functions, activities or

1 services in connection with the operation of the lottery as he
2 deems advisable pursuant to this Act, the State Comptroller
3 Act, or the rules and regulations of the Department, and such
4 functions, activities or services shall constitute lawful
5 functions, activities and services of such person(s), banks,
6 savings and loan associations or distributors.

7 All income arising out of any activity or purpose of the
8 Division shall, pursuant to the State Finance Act, be paid into
9 the State Treasury except as otherwise provided by the rules
10 and regulations of the Department and shall be covered into a
11 special fund to be known as the State Lottery Fund. Banks and
12 savings and loan associations may be compensated for services
13 rendered based upon the activity and amount of funds on
14 deposit.

15 (Source: P.A. 94-776, eff. 5-19-06.)

16 (20 ILCS 1605/21.2) (from Ch. 120, par. 1171.2)

17 Sec. 21.2. (Repealed.) ~~There is created a special fund in~~
18 ~~the State Treasury known as the Illinois Land Grant Collegiate~~
19 ~~Athletics Fund. The Department shall designate a special~~
20 ~~lottery game of its choosing which it shall prepare and offer~~
21 ~~for sale to the public, the net proceeds from which shall be~~
22 ~~transferred to such fund for distribution to the University of~~
23 ~~Illinois Athletic Association as otherwise authorized by law.~~

24 (Source: P.A. 84-1128.)

1 (20 ILCS 1605/21.3) (from Ch. 120, par. 1171.3)

2 Sec. 21.3. Officer of corporation; personal liability. Any
3 officer of any corporation licensed as an agent for the sale of
4 Lottery tickets and products shall be personally liable for the
5 total amount of Lottery receipts due the Department which are
6 unpaid by the corporation, together with any interest and
7 penalties thereon assessed in accordance with the provision of
8 Section 21 of the Act.

9 The personal liability of a corporate officer as provided
10 herein shall survive the dissolution of the corporation. No
11 action to enforce such personal liability shall be commenced
12 unless a notice of the delinquent account has been sent to such
13 corporate officer at the address shown on the Lottery records
14 or otherwise known to Department officials, and no such action
15 shall be commenced after the expiration of 3 years from the
16 date of the Department's notice of delinquent account or the
17 termination of any court proceedings with respect to the issue
18 of the delinquency of a corporation.

19 Procedures for protest and review of a notice of the
20 Department's intention to enforce personal liability against a
21 corporate officer shall be the same as those prescribed for
22 protest and review of the Notice of Assessment as set forth in
23 Section 7.3 of this Act.

24 (Source: P.A. 88-522.)

25 (20 ILCS 1605/21.5)

1 Sec. 21.5. Superintendent Carolyn Adams Ticket For The
2 Cure.

3 (a) The Department shall offer a special instant
4 scratch-off game with the title of "Carolyn Adams Ticket For
5 The Cure". The game shall commence on January 1, 2006 or as
6 soon thereafter, in the discretion of the Director, as is
7 reasonably practical, and shall be discontinued on December 31,
8 2011. The operation of the game shall be governed by this Act
9 and any rules adopted by the Department. The Department must
10 consult with the Ticket For The Cure Board, which is
11 established under Section 2310-347 of the Department of Public
12 Health Powers and Duties Law of the Civil Administrative Code
13 of Illinois, regarding the design and promotion of the game. If
14 any provision of this Section is inconsistent with any other
15 provision of this Act, then this Section governs.

16 (b) The Ticket For The Cure Fund is created as a special
17 fund in the State treasury. The net revenue from the Carolyn
18 Adams Ticket For The Cure special instant scratch-off game
19 shall be deposited into the Fund for appropriation by the
20 General Assembly solely to the Department of Public Health for
21 the purpose of making grants to public or private entities in
22 Illinois for the purpose of funding research concerning breast
23 cancer and for funding services for breast cancer victims. The
24 Department must, before grants are awarded, provide copies of
25 all grant applications to the Ticket For The Cure Board,
26 receive and review the Board's recommendations and comments,

1 and consult with the Board regarding the grants. For purposes
2 of this Section, the term "research" includes, without
3 limitation, expenditures to develop and advance the
4 understanding, techniques, and modalities effective in the
5 detection, prevention, screening, and treatment of breast
6 cancer and may include clinical trials. The grant funds may not
7 be used for institutional, organizational, or community-based
8 overhead costs, indirect costs, or levies.

9 Moneys received for the purposes of this Section,
10 including, without limitation, net revenue from the special
11 instant scratch-off game and gifts, grants, and awards from any
12 public or private entity, must be deposited into the Fund. Any
13 interest earned on moneys in the Fund must be deposited into
14 the Fund.

15 For purposes of this subsection, "net revenue" means the
16 total amount for which tickets have been sold less the sum of
17 the amount paid out in prizes and the actual administrative
18 expenses of the Department solely related to the Carolyn Adams
19 Ticket For The Cure game.

20 (c) During the time that tickets are sold for the Carolyn
21 Adams Ticket For The Cure game, the Department shall not
22 unreasonably diminish the efforts devoted to marketing any
23 other instant scratch-off lottery game.

24 (d) The Department may adopt any rules necessary to
25 implement and administer the provisions of this Section.

26 (Source: P.A. 94-120, eff. 7-6-05.)

1 (20 ILCS 1605/21.7 new)

2 Sec. 21.7. Right to direct offer of new games. If the State
3 enters into a Management and Concession Agreement, the State
4 shall retain the right to direct the Concessionaire to offer
5 games as the General Assembly may determine appropriate from
6 time to time. The General Assembly may in its discretion direct
7 the deposit and use of net revenues from any such new games.
8 The operation of any such new games shall be governed by this
9 Act and any rules necessary to implement and administer the
10 provisions of this Section as adopted by the Department.

11 For purposes of this Section, "net revenue" means the total
12 amount for which tickets have been sold less the sum of the
13 amount paid out in the prizes and the costs and expenses of the
14 Department related to the game.

15 (20 ILCS 1605/24) (from Ch. 120, par. 1174)

16 Sec. 24. Preaudit of accounts and transactions by State
17 Comptroller; post-audits by Auditor General. The State
18 Comptroller shall conduct a preaudit of all accounts and
19 transactions of the Department in connection with the operation
20 of the State Lottery under the State Comptroller Act, excluding
21 payments issued by the Department for prizes of \$25,000 or
22 less.

23 The Auditor General or a certified public accountant firm
24 appointed by him shall conduct an annual post-audit of all

1 accounts and transactions of the Department in connection with
2 the operation of the State Lottery and other special post
3 audits as the Auditor General, the Legislative Audit
4 Commission, or the General Assembly deems necessary. The annual
5 post-audits shall include payments made by lottery sales agents
6 of prizes of less than \$600 authorized under Section 20, and
7 payments made by the Department of prizes up to \$25,000
8 authorized under Section 20.1. The Auditor General or his agent
9 conducting an audit under this Act shall have access and
10 authority to examine any and all records of the Department or
11 the Board, its distributing agents and its licensees.

12 (Source: P.A. 94-776, eff. 5-19-06.)

13 (20 ILCS 1605/25) (from Ch. 120, par. 1175)

14 Sec. 25. Review under Administrative Review Law. Any party
15 adversely affected by a final order or determination of the
16 Board or the Department may obtain judicial review, by filing a
17 petition for review within 35 days after the entry of the order
18 or other final action complained of, pursuant to the provisions
19 of the Administrative Review Law, as amended and the rules
20 adopted pursuant thereto.

21 (Source: P.A. 82-783.)

22 (20 ILCS 1605/26) (from Ch. 120, par. 1176)

23 Sec. 26. Severability of invalid provisions or
24 applications. If any clause, sentence, paragraph, subdivision,

1 Section, provision or other portion of this Act or the
2 application thereof to any person or circumstances is held to
3 be invalid, such holding shall not affect, impair or invalidate
4 the remainder of this Act or the application of such portion
5 held invalid to any other person or circumstances, but shall be
6 confined in its operation to the clause, sentence, paragraph,
7 subdivision, provision or other portion thereof directly
8 involved in such holding or to the person and circumstances
9 therein involved.

10 (Source: P.A. 78-3rd S.S.-20.)

11 (20 ILCS 1605/27) (from Ch. 120, par. 1177)

12 Sec. 27. Contracts; investments; proceeds; Deferred
13 Lottery Prize Winners Trust Fund; disbursements; State Lottery
14 Fund; Lottery Concession Fund. (a) The State Treasurer may,
15 with the consent of the Director, contract with any person or
16 corporation, including, without limitation, a bank, banking
17 house, trust company or investment banking firm, to perform
18 such financial functions, activities or services in connection
19 with operation of the lottery as the State Treasurer and the
20 Director may prescribe.

21 (b) All proceeds from investments made pursuant to
22 contracts executed by the State Treasurer, with the consent of
23 the Director, to perform financial functions, activities or
24 services in connection with operation of the lottery, shall be
25 deposited and held by the State Treasurer as ex-officio

1 custodian thereof, separate and apart from all public money or
2 funds of this State in a special trust fund outside the State
3 treasury. Such trust fund shall be known as the "Deferred
4 Lottery Prize Winners Trust Fund", and shall be administered by
5 the Director.

6 The Director shall, at such times and in such amounts as
7 shall be necessary, prepare and send to the State Comptroller
8 vouchers requesting payment from the Deferred Lottery Prize
9 Winners Trust Fund to deferred prize winners, in a manner that
10 will insure the timely payment of such amounts owed.

11 This Act shall constitute an irrevocable appropriation of
12 all amounts necessary for that purpose, and the irrevocable and
13 continuing authority for and direction to the Director and the
14 State Treasurer to make the necessary payments out of such
15 trust fund for that purpose. In the event that the State shall
16 enter into a Management and Concession Agreement, this Section
17 27(b) shall not apply to any prizes awarded after the closing
18 date of the Management and Concession Agreement.

19 (c) Moneys invested pursuant to subsection (a) of this
20 Section may be invested only in bonds, notes, certificates of
21 indebtedness, treasury bills, or other securities constituting
22 direct obligations of the United States of America and all
23 securities or obligations the prompt payment of principal and
24 interest of which is guaranteed by a pledge of the full faith
25 and credit of the United States of America. Interest earnings
26 on moneys in the Deferred Lottery Prize Winners Trust Fund

1 shall remain in such fund and be used to pay the winners of
2 lottery prizes deferred as to payment until such obligations
3 are discharged. Proceeds from bonds purchased and interest
4 accumulated as a result of a grand prize multi-state game
5 ticket that goes unclaimed will be transferred after the
6 termination of the relevant claim period directly from the
7 lottery's Deferred Lottery Prize Winners Trust Fund to each
8 respective multi-state partner state according to its
9 contribution ratio. All moneys invested pursuant to the terms
10 of any Management and Concession Agreement into which the State
11 may enter, shall be subject to the provisions of this
12 subsection.

13 (c-5) If a deferred lottery prize is not claimed within the
14 claim period established by game rule, then the securities or
15 other instruments purchased to fund the prize shall be
16 liquidated and the liquidated amount shall be transferred to
17 the State Lottery Fund for disposition pursuant to Section 19
18 of this Act. In the event that the State shall enter into a
19 Management and Concession Agreement, this Section 27(c-5)
20 shall not apply to any prizes awarded after the closing date of
21 the Management and Concession Agreement.

22 (c-10) The Director may use a portion of the moneys in the
23 Deferred Lottery Prize Winners Trust Fund to purchase bonds to
24 pay a lifetime prize if the prize duration exceeds the length
25 of available securities. If the winner of a lifetime prize
26 exceeds his or her life expectancy as determined using

1 actuarial assumptions and the securities or moneys set aside to
2 pay the prize have been exhausted, moneys in the State Lottery
3 Fund shall be used to make payments to the winner for the
4 duration of the winner's life. In the event that the State
5 shall enter into a Management and Concession Agreement, this
6 Section 27(c-10) shall not apply to any prizes awarded after
7 the closing date of the Management and Concession Agreement.

8 (c-15) From time to time, the Director may request that the
9 State Comptroller transfer any excess moneys in the Deferred
10 Lottery Prize Winners Trust Fund to the Lottery Fund. In the
11 event that the State shall enter into a Management and
12 Concession Agreement, this Section 27(c-15) shall not apply to
13 any prizes awarded after the closing date of the Management and
14 Concession Agreement.

15 (c-20) In the event that the State shall enter into a
16 Management and Concession Agreement pursuant to which a
17 Concessionaire is authorized to manage or operate the Lottery,
18 there shall be created a fund to be known as the Lottery
19 Concession Trust Fund, which shall be a special,
20 non-appropriated trust fund held outside the State treasury and
21 separate and apart from all public money and funds of this
22 State. All proceeds from the sale of lottery tickets or shares
23 and all other revenue from the State's conduct of the Lottery
24 as authorized under this amendatory Act of the 95th General
25 Assembly, including lottery revenues a Concessionaire may be
26 eligible to receive under a Management and Concession

1 Agreement, shall be paid into the Fund.

2 The Fund shall begin to receive lottery proceeds and
3 revenues on the date that a Management and Concession Agreement
4 first becomes effective, and moneys in the Fund shall not at
5 any time during the term of such an agreement be appropriated
6 or diverted to any other use or purpose. The Fund shall be held
7 by an Illinois trustee designated pursuant to the Concession
8 and Management Agreement. All interest or other earnings
9 accruing or received on amounts in the Fund shall be credited
10 to and retained by the Fund. The Fund shall be held,
11 administered, invested and disbursed in accordance with the
12 trust agreement and the Management and Concession Agreement.

13 (d) This amendatory Act of 1985 shall be construed
14 liberally to effect the purposes of the Illinois Lottery Law.

15 (Source: P.A. 89-466, eff. 6-13-96; 90-346, eff. 8-8-97.)

16 Section 10. The Illinois Procurement Code is amended by
17 changing Section 50-70 as follows:

18 (30 ILCS 500/50-70)

19 Sec. 50-70. Additional provisions. This Code is subject to
20 applicable provisions of the following Acts:

- 21 (1) Article 33E of the Criminal Code of 1961;
- 22 (2) the Illinois Human Rights Act;
- 23 (3) the Discriminatory Club Act;
- 24 (4) the Illinois Governmental Ethics Act;

- 1 (5) the State Prompt Payment Act;
- 2 (6) the Public Officer Prohibited Activities Act; ~~and~~
- 3 (7) the Drug Free Workplace Act; and -
- 4 (8) The Illinois Lottery Law.

5 (Source: P.A. 90-572, eff. 2-6-98.)

6 Section 99. Effective date. This Act takes effect upon

7 becoming law."